CAPITAL WORLD LIMITED
(Incorporated in the Cayman Islands)
(Company Registration No.: CT-276295)

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

The board of directors (the "**Board**" or the "**Directors**") of Capital World Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") wishes to announce that the Independent Auditor of the Company, Moore Stephens LLP (the "**Auditors**"), has included a material uncertainty related to going concern in the independent auditor's report (the "**Independent Auditor's Report**") on the audited financial statements (the "**Audited Financial Statements**") of the Group and the Company for the financial year ended 30 June 2026 ("**FY2026**").

An extract of the Material Uncertainty Related to Going Concern from the Independent Auditor's Report is set out below:

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 in the financial statements, which indicates that the Group incurred a net loss of RM7,288,000 (2025: RM16,602,000), total comprehensive loss of RM7,380,000 (2025: RM16,450,000) and net cash flows used in operating activities of RM61,000 (2025: RM6,982,000) during the financial year ended 30 June 2026 and, as of that date, the net current assets of the Group of RM135,014,000 (2025: RM142,263,000), include inventory properties amounting to RM110,738,000 (2025: RM109,376,000) and non-current assets held for sale amounting to RM200,632,000 (2025: RM199,731,000) (collectively, the "**Properties**"). The ability of the Group to continue as a going concern is dependent on the successful completion of the sale and purchase agreement in respect of the sale of the Properties to a third party. These conditions and events indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

An extract of the Notes to the Audited Financial Statements is set out below:

2.1 Basis of Preparation

Going concern assumption

During the financial year ended 30 June 2026, the Group incurred a net loss of RM7,288,000 (2025: RM16,602,000), total comprehensive loss of RM7,380,000 (2025: RM16,450,000) and net cash flows used in operating activities of RM61,000 (2025: RM6,982,000). In addition, the net current assets of the Group of RM135,014,000 (2025: RM142,263,000), include inventory properties amounting to RM110,738,000 (2025: RM109,376,000) and non-current assets held for sale amounting to RM200,632,000 (2025: RM199,731,000) (collectively, the "**Properties**").

The ability of the Group to continue as a going concern is dependent on the successful completion of the sale and purchase agreement (the "**SPA**") in respect of the sale of the Properties to a third party (the "**Purchaser**") as disclosed in Note 14.

The above conditions and events indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In the preparation of the financial statements, the directors of the Company believe that the use of the going concern assumption is appropriate after taking into consideration:

(i) The Board of Directors is of the view that the process of completing the SPA is administrative in nature and nothing has come to the attention of the Board of Directors and management that the SPA would not be completed within the next twelve months. In addition, management is continuing its negotiations with the Purchaser for additional deposits. The Group has received deposits amounting to RM98,224,000 as at 30 June 2026. Subsequent to the end of the financial year ended 30 June 2026, the Group has received additional deposits of RM45,473,065 (Note 30);

(ii) The Group has submitted applications to two creditors to defer payments amounting to approximately RM10 million. Given that these creditors have previously granted instalment plans to the Group, the Board of Directors and management are of the view that the outcome of these applications will be favourable;

(iii) Management is continuing its negotiations with a creditor to extend the payment period for an outstanding balance of approximately RM19 million owing to the creditor. The payment terms have been extended since prior years due to the continued delay in the re-opening of the Group's retail mall;

(iv) As disclosed in Note 28, the Group has received a number of legal claims from several third parties. Based on legal advice from the Group's lawyers, management is of the view that an outflow of resources embodying economic benefits is not probable;

(v) As disclosed in Note 29, the Group's frozen bank accounts have been unfrozen by the relevant authorities and are available for use in the Group's ordinary business operations; and

(vi) The Board of Directors and management are of the view that the Group will have sufficient working capital to meet its obligations as and when they fall due based on a cash flow forecast for the next twelve months.

In the event that the Group is unable to continue as a going concern, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

The Board is of the view that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner and confirms that all material information in relation to the Group has been provided for trading of the Company's shares to continue.

The Independent Auditor's Report and Audited Financial Statements will form part of the Company's Annual Report for FY2026 which will be released on SGXNet in due course.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board
CAPITAL WORLD LIMITED

Datuk Wira Eric Tan Eng Huat
Managing Director
14 October 2026

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*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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